

## CHECKLIST ENVIRONMENTAL ASSESSMENT

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| <b>Project Name:</b> Tie In For the Gunderson #5-22 natural gas well. LUL 8557  | <b>Proposed Implementation Date:</b> June, 2007 |
| <b>Proponent:</b> MCR LLC. P.O. Box 716 Shelby, MT 59474 (406) 424-8211   |   |
| <b>Type and Purpose of Action:</b> To market commercial gas from the Gunderson Well # 5-22, via a 4 inch poly flow line north to the Rossmiller # 3-09 to generate revenue from gas sales of the Gunderson well. Croft Petroleum owns the Gunderson well, MCR -LLC will own the gathering system. |   |
| <b>Location:</b> T35N, R2E, Sec 9 SE ¼ (Common Schools)   | <b>County:</b> Toole                            |

### I. PROJECT DEVELOPMENT

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| 1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project. | DNRC, MMB, Subsurface/Surface owner<br>MCR LLC, proponent<br>Jon Wood, Surface Lessee |
| 2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:   | None  |
| 3. ALTERNATIVES CONSIDERED:   | Deny the request  |

### II. IMPACTS ON THE PHYSICAL ENVIRONMENT

| RESOURCE  | [Y/N] POTENTIAL IMPACTS  |
|---|--|
| N = Not Present or No Impact will occur.<br>Y = Impacts may occur (explain below)   |  |
| 4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactable or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations? Are cumulative impacts likely to occur as a result of this proposed action? | [N] Soil types within the proposed pipeline route consist of deep silt loam soils. Soils have excellent production capabilities. The establishment of disturbed vegetation should be highly successful. Reclamation requirements are to backfill and level the excavation. Then, seed the impacted area with the existing native grass types present. The grass types and seeding rates are listed in item 7 of this assessment. |
| 5. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum  | [N] Surface and sub surface ground water will not be impacted as a result of this proposal.  |

| <b>II. IMPACTS ON THE PHYSICAL ENVIRONMENT</b>   |  |
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| contaminant levels, or degradation of water quality? Are cumulative impacts likely to occur as a result of this proposed action?   |  |
| 6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I air shed)? Are cumulative impacts likely to occur as a result of this proposed action?  | [N] There will be no impact to the air shed as a result of this proposal.  |
| 7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present? Are cumulative impacts likely to occur as a result of this proposed action?   | [Y] Vegetation will be impacted, as a 3-inch poly pipeline will be installed. The impact resulting from the pipeline installation will require a grass seed mixture of 30% Western Wheatgrass, 30% Green Needle grass, 20% Slender Wheatgrass, 20% Idaho Fescue. If drilled the rate will be 7#/acre. If broadcast the rate will double. |
| 8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish? Are cumulative impacts likely to occur as a result of this proposed action?  | [N] There will not be any adverse impact to fish, wildlife, or birds resulting from this proposal.   |
| 9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern? Are cumulative impacts likely to occur as a result of this proposed action?   | [N] There are no endangered or threatened species or habitat present on this site.   |
| 10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?  | [N] During the field inspection there were no historic sites found within the state owned tract. There are however multiple sites within the surrounding area.   |
| 11. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light? Are cumulative impacts likely to occur as a result of this proposed action?  | [N] This proposal does not take place on any prominent topographic feature. Middle Butte of the Sweet grass Hills does lay a few miles north of this proposal.   |
| 12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, and AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project? Are cumulative impacts likely to occur as a result of this proposed action?   | [N] There are basically only two major industries within this proposed area. They are agricultural and petroleum industries and both work quite well together.   |
| 13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract? Are cumulative impacts likely to occur as a result of other private, state or federal current actions w/n the analysis area, or from future proposed state actions that are under MEPA review (scoping) or permitting review by any state agency w/n the analysis area? | [N] None   |

| <b>III. IMPACTS ON THE HUMAN POPULATION</b>   |  |
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| <b>RESOURCE</b>   | <b>[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES</b>   |
| 14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?  | [N] This project will not add to the health and safety of the area.  |
| 15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?   | [Y] The results of this project will contribute to the industrial gas production of the area. This particular area is dependent upon both the petroleum and agricultural industries. |
| 16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number. Are cumulative impacts likely to occur as a result of this proposed action?  | [N] This project will not create any new jobs, as the project will be completed in house by the proponent.   |
| 17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue? Are cumulative impacts likely to occur as a result of this proposed action?  | [Y] This project will create tax revenue from the sale of natural gas. This particular well has tested in excess of 2.5 million cubic feet per day.                                  |
| 18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed? Are cumulative impacts likely to occur as a result of this proposed action?   | [N] Cumulative impacts resulting from traffic are not anticipated as a result of this proposal.  |
| 19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?   | [N] None   |
| 20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract? Are cumulative impacts likely to occur as a result of this proposed action?                              | [N] There are no wilderness or recreational sites accessed through this tract.   |
| 21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing? Are cumulative impacts likely to occur as a result of this proposed action?  | [N] None   |
| 22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?  | [N] None   |
| 23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?  | [N] None   |
| 24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES: Is there a potential for other future uses for easement area other than for current management? Is future use hypothetical? What is the estimated return to the trust. Are cumulative impacts likely to occur as a result of this proposed action? | [Y] This project can benefit the State of Montana in terms of LUL fees for installing the pipeline across state land.  |

EA Checklist Prepared By: STEVE DOBSON  
Name

LUS Date: 6-8-07  
Title

| IV. FINDING  |  |
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| 25. ALTERNATIVE SELECTED:  | Approve the gas pipeline project under LUL #8557.  |
| 26. SIGN4IFICANCE OF POTENTIAL IMPACTS:  | Short-term and small-scale impacts to the native rangeland is expected along the pipeline route. The route is adjacent to the miners coulee county road. All disturbed areas will be recontoured and reseeded to native grass according to the specifications outlined within this EA. No known archaeological sites are located within the project area. The surface lessee has been contacted and actual damages have been settled. The School Trust will receive \$13.00 per rod on 212 rods or \$2,756.00 for a 10 year LUL . Overall, no negative environmental impacts are expected. |
| 27. Need for Further Environmental Analysis:<br><br><input type="checkbox"/> EIS <input type="checkbox"/> More Detailed EA <input checked="" type="checkbox"/> No Further Analysis |  |

Signature \_\_\_\_\_ Date June 8, 2007